

or distribution fee under a plan adopted in accordance with rule 12b-1 under the Act.

2. The investment advisers and their respective affiliates, in their capacities as service providers for the Money Market Series, will remit to the respective Non-Money Market Series, or waive their fees with respect to the Non-Money Market Series, in an amount equal to all fees received by them or their affiliates under their respective agreements with the Money Market Series to the extent such fees are based upon the Non-Money Market Series' assets invested in shares of the Money Market Series. Any of these fees remitted or waived will not be subject to recoupment by the Series' investment advisers or their affiliates at a later date.

3. For the purpose of determining any amount to be waived and/or expenses to be borne to comply with an Expense Waiver, the adjusted fees for a Non-Money Market Series (gross fees minus Expense Waiver) will be calculated without reference to the amounts waived or remitted pursuant to condition 2. Adjusted fees then will be reduced by the amount waived pursuant to condition 2. If the amount waived pursuant to condition 2 exceeds adjusted fees, the Non-Money Market Series' investment adviser also will reimburse the Non-Money Market Series in an amount equal to such excess.

4. The Non-Money Market Series will vote their shares of each of the Money Market Series in the same proportion as the votes of all other shareholders in such Money Market Series.

5. The Non-Money Market Series will receive dividends and bear their proportionate share of expenses on the same basis as other shareholders of such Money Market Series. A separate account will be established in the shareholder records of each of the Money Market Series for each of the acquiring Non-Money Market Series.

For the Commission, by the Division of Investment Management, under delegated authority.

Jonathan G. Katz,

Secretary.

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[Release No. 34-35443; File No. SR-PSE-95-06]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Pacific Stock Exchange, Inc. Relating to New Organizational Structures

March 6, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. § 78s(b)(1), notice is hereby given that on February 21, 1995, the Pacific Stock Exchange, Inc. ("PSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The PSE is proposing to amend articles V and VIII of its Constitution to allow for the admission of entities with new organizational structures as member organizations.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The PSE Constitution currently allows members of the Exchange to confer the privileges of their memberships on a firm which may be either a partnership or a corporation. Recent changes to state corporate laws, however, have expanded the types of organizational structures available to such members. Accordingly, the Exchange is proposing to amend its Constitution to permit the Exchange, in its discretion, and on such terms and conditions as the Exchange

may prescribe, to approve business trusts, limited liability companies and other organizational structures as member organizations so long as the characteristics of the entity in question are essentially similar to those of corporations or partnerships.¹

Specifically, the Exchange is proposing to amend Article VIII, Section 1(a) of its Constitution to provide that the Exchange may, in its discretion, and on such terms as the Exchange may prescribe, approve as a member firm entities that have characteristics essentially similar to corporations, partnerships, or both. The proposed change states that such entities and persons associated therewith shall upon approval, be fully, formally and effectively subject to the jurisdiction, and to the Constitution and Rules, of the Exchange to the same extent and degree as are any other member organizations and persons associated therewith.

The Exchange is also proposing to amend Article V, Sections 4, 5, and 7 of the PSE Constitution (definitions of "member firm," "member organization," and "associated person") to be consistent with the proposed change to Article VIII, Section 1(a). Accordingly, the Exchange is proposing to add the phrase "other Organization" to the definitions of "member firm" and "member organization" and to add the phrases "member of a Limited Liability Company" and "trustee of a business trust" to the definition of "associated person."

2. Statutory Basis

The proposal is consistent with Section 6(b) of the Exchange Act, in general, and Section 6(b)(5), in particular, in that it is designed to promote just and equitable principles of trade and to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

¹ The Exchange stated that noncorporate or partnership entities would have to be structured in such a format that would qualify as a broker or dealer registered with the SEC pursuant to the Act, since this is a prerequisite to becoming an Exchange member organization. Telephone conversation between Michael D. Pierson, Senior Attorney, PSE, and Elisa Metzger, Senior Counsel, SEC, on March 3, 1995.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and timing for Commission Action

Within 35 days of the publication of this notice in the **Federal Register** or within such other period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve the proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

VI. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of U.S.C. § 552, will be available for inspection and copying at the Commission's Public Reference Section 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the PSE. All submissions should refer to File No. SR-PSE-95-06 and should be submitted by March 31, 1995.

For the Commission, by the Division of Market Regulations, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

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[Release No. 34-35442; File No. SR-NSCC-95-02]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change To Provide a One Day Settling Capability

March 3, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ notice is hereby given that on January 24, 1995, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-NSCC-95-02) as described in Items I and II below, which items have been prepared primarily by NSCC. On January 31, 1995, and March 1, 1995, NSCC filed amendments to the proposed rule change.² The Commission is publishing this notice and order to solicit comments from interested persons and to grant accelerated approval of the proposed rule change.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the proposed rule change is to modify NSCC's rules and procedures in order to provide a one day settling capability for trades that are compared or recorded one day prior to normal settlement date and thereafter. The proposed rule also will revise NSCC's trade guarantee to provide that NSCC will guarantee one day settling items at the time that NSCC completes the trade comparison process for trades which NSCC compares or the trade recording process for trades which NSCC receives in a lock-in capacity.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NSCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments that it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NSCC has prepared summaries, set forth in sections (A), (B) and (C) below, of the most significant aspects of such statements.

¹ 15 U.S.C. 78s(b)(1) (1988).

² Letters from Karen Saperstein, General Counsel, NSCC, to Jerry Carpenter, Assistant Director, Office of Securities Processing, Division of Market Regulation, Commission (January 31, 1995 and March 1, 1995).

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) In the current environment where trades are settled five business days after the trade ("T+5"), trades that are compared or recorded at NSCC after the third business day after the trade date ("T+3") do not settle until two days later. Thus, a trade which is compared or is recorded on T+4 is not included in the normal settlement cycle for settlement on T+5. NSCC's system assigns a new settlement date to these items which is two business days after the trade is compared or recorded, which in this case would be T+6. Under this processing system, when the T+3 settlement cycle is implemented, trades which are compared or recorded on T+2 would not settle until T+4.³ Without a change in this process it is estimated that a substantial number of transactions could miss timely settlement.

In order to allow as many compared trades as possible to settle in a normal cycle, NSCC proposes to provide a processing capability that will permit items processed one day prior to the normal settlement day or later to settle the next business day instead of settling two business days after processing. This enhancement will be implemented first in the processing of trades settling in the five day settlement cycle and will include trades processed on T+4 prior to the cut off time, which initially will be 9:00 p.m.⁴ T+4, trades processed prior to the daily cut off time also will be subject to next day settlement. Trades processed after the daily cut off time will continue to settle two business days following comparison or recordation. Transactions in securities which are not eligible for NSCC's Continuous Net Settlement ("CNS") system received prior to the cut off time on T+4 (in a T+5 settlement cycle) or on T+2 (in a T+3 settlement cycle) will be processed on a trade for trade basis for settlement the next business day.

One day settling items will be reported back to members on the morning of the settlement day in a separate section of the Consolidated Trade Summary ("CTS"). Unlike other trades listed on the CTS, these trades

³ On October 6, 1993, the Commission adopted Rule 15c6-1 which became effective June 7, 1995, establishes T+3 as the standard settlement cycle. Securities Exchange Act Release Nos. 33023 (October 6, 1993), 58 FR 52891 (order approving Rule 15c6-1); 34952 (November 9, 1994), 59 FR 59137 (order changing the effective date of Rule 15c6-1).

⁴ In a T+3 settlement environment, one day settlement will be provided for any transaction processed on T+2 prior to the cut off time.